

Discussions could usefully be framed around a short and clear narrative about why the current rules haven't worked, what the specific issues are that need to be solved, and ask for help in how their particular sector or area can help address those problems. This would involve being open and clear that current rules and behaviours are not sustainable as they are leading to exponential growth. We need to collectively agree rules to take us through the winter. This means some things may need to be more restricted, and behaviour on household mixing needs to change to limits contacts as much as possible.

Funding support

The scope to support businesses and employees in the event of national restrictions being reintroduced is largely dependent on the financial support from the UK Govt; based on availability of funding and scale of impact, it will not be possible for Welsh Government to offer the scale of financial support HMT are able to provide to those businesses and their employees impacted by national restrictions.

As a result if we are to introduce national restrictions, a key dependency is that Welsh businesses and employees are able to access the enhanced Job Support Scheme (JSS) announced by the Chancellor on Friday (9th October). This provides 67% coverage of wage costs for businesses which are required by law to close, up to a limit per employee of £2,100 per month from 1st November. Our estimate is that the cost to the Treasury of providing this support to eligible businesses in the event of a Wales wide lockdown would be around £100m a week, so it is essential that the UK Government accepts a decision by Welsh Government to close businesses as determining eligibility without any additional conditions being met. HMT officials have indicated that, provided the Welsh Government legally requires businesses in Wales to close, those businesses will be eligible for the enhanced JSS without any further conditions or constraints.

It is the view of officials that accessing the enhanced JSS is the only way sufficient funding can be provided to businesses to enable them to survive a significant period of closure. We will therefore require Welsh Government to take action via regulations to force businesses to close. On this basis, we would then be able to provide additional support to businesses to supplement that from UK Government, as has been our position through the Covid 19 crisis.

We will need to have a financial package in place to complement the UK Govt funding at the point we begin the firebreak. We have the £60m local lockdown fund, which can be adjusted, and there is an option to rerun ERF 1, but that will likely need additional cash. We could support operating costs, but UK Govt would have to meet wage costs. We have initial figures on what an enhanced support package might cost (see below).

Some key decisions and clarifications linked to funding support include:

- The level and duration of support for businesses required to close, and those materially affected.